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FISCAL IMPACT STATEMENT

LS 7478

BILL NUMBER: HB 1410

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: Information about Credit Counseling Services.

FIRST AUTHOR: Rep. Goodin

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that after December 31, 2011, a payday lender doing business in Indiana shall: (1) conspicuously display at its business locations and include on its loan documents a toll free telephone number that borrowers may call to receive information about credit counseling services; and (2) maintain a toll free number that borrowers may call to receive such information. It defines "credit counseling service" as: (1) a nonprofit budget and credit counseling agency approved by the United States Trustee or a bankruptcy administrator; or (2) a nonprofit agency approved by the Director of the Department of Financial Institutions (director); to provide credit counseling services in Indiana. It also requires a lender to provide through the required toll free telephone number the name, street address, telephone number, and Internet web site address for at least three approved credit counseling services.

This bill allows a lender to print on its displays or loan documents an Internet web site address that the borrower may access to receive information about credit counseling services. It provides that the web site address may be for: (1) a web page maintained by the lender to allow borrowers to access information for at least three approved credit counseling services; or (2) the United States Trustee's web page through which the borrower may directly access information on credit counseling services in Indiana. It requires a lender to update, at least annually and by a date specified by the director, the information provided through the lender's toll free telephone number (and web address, if applicable) to ensure that the information is consistent with that available from: (1) the United States Trustee or a bankruptcy administrator; or (2) the director. It also provides that the toll free telephone number required to be maintained: (1) may connect a borrower to an automated system, such as an interactive voice response system; and (2) may be a telephone number designed to receive customer service calls generally, if the option to receive the required information is in the first menu of options given to the borrower. It also requires the director to adopt, not later than September 1, 2011, rules or policies to implement these requirements.

Effective Date: Upon passage.

Explanation of State Expenditures: *Department of Financial Institutions (DFI)*- This bill would increase administrative expenditures for the DFI by requiring the DFI to adopt rules and policies to implement the provisions of the bill. The DFI's current level of resources should be sufficient.

Background Information- The DFI is funded by bank examination fees placed into dedicated funds.. The DFI generated approximately \$8.6 M in total revenue during FY 2010.Revenue is placed into the Department of Financial Institutions Fund.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

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